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Student and teacher: Use this cover sheet for mailing or faxing.

ASSIGNMENT BOOKLET B

FIN1020

Financial Management 1020: Section 4 Assignment, Section 5 Assignment, Section 6 Assignment

FOR STUDENT USE ONLY

Date Assignment Submitted:

(If label is missing or incorrect)

Student File Number:

Time Spent on Assignment:

Course Number:

FOR OFFICE USE ONLY

Assigned

Teacher: _____

Assignment

Grading: _____

Graded by: _____

Date Assignment Received:

Student's Questions and Comments

Apply Course Label Here

Name

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*Please verify that preprinted label is for
correct course.*

Teacher's Comments

Teacher

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- Are all the assignments completed? If not, explain why.
- Has your work been reread to ensure accuracy in spelling and details?
- Is the booklet cover filled out and the correct course label attached?

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CAREER & TECHNOLOGY STUDIES

**ASSIGNMENT
BOOKLET B**

**Service Business 1
FIN 1020**



Learning
Technologies
Branch

Alberta
LEARNING

FOR TEACHER'S USE ONLY

Summary

	Total Possible Marks	Your Mark
Section 4 Assignment	45	
Section 5 Assignment	25	
Section 6 Assignment	25	
	95	

Teacher's Comments

Financial Management 1020
 Service Business 1
 Assignment Booklet B
 Section 4 Assignment, Section 5 Assignment, Section 6 Assignment
 Learning Technologies Branch
 ISBN 0-7741-1882-2

This document is intended for	
Students	<input checked="" type="checkbox"/>
Teachers	<input checked="" type="checkbox"/>
Administrators	<input type="checkbox"/>
Home Instructors	<input type="checkbox"/>
General Public	<input type="checkbox"/>
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- Alberta Learning, <http://www.learning.gov.ab.ca>
- Learning Technologies Branch, <http://www.learning.gov.ab.ca/ltb>
- Learning Resources Centre, <http://www.lrc.learning.gov.ab.ca>

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ASSIGNMENT BOOKLET B

FINANCIAL MANAGEMENT 1020 – SERVICE BUSINESS 1

Your mark on this course will be determined by how well you do your assignments.

This Assignment Booklet is worth 95 marks out of the total 200 marks for the assignments. The value of each assignment is stated in the left margin.

Work slowly and carefully. If you are have difficulty, go back and review the appropriate section.

Be sure to proofread each assignment carefully.

45

Section 4 Assignment: Journals

Read all parts of your assignment carefully and record your answers in the appropriate places.

20

1. The chart of accounts for Brewster's Bookkeeping Service follows.

100	Assets
101	Cash
105	Accounts Receivable, T. Bateman
110	Accounts Receivable, R. Lesiuk
115	Supplies
120	Land
125	Building
130	Equipment
200	Liabilities
205	Accounts Payable, Benoit Co.
210	Bank Loan Payable
215	Mortgage Payable
300	Revenue
301	Fees Income
400	Owner's Equity
405	C. Schultz, Capital
410	C. Schultz, Drawings
500	Expenses
505	Salaries Expense
510	Utilities Expense

Analyse each of the following transactions into their debit and credit parts. Write the account titles in the Debit and Credit spaces in the response area. Use only those account titles given in the chart of accounts.

- a. Received cash from T. Bateman on account.
- b. The owner, C. Schultz, invested an additional amount of cash in the business.
- c. Purchased equipment for cash.
- d. Bought some new equipment from the Benoit Co. on account.
- e. Received cash for accounting services rendered.
- f. Paid the utility bill with cash.
- g. A customer, R. Lesiuk, paid cash on her account.
- h. The owner, C. Schultz, withdrew some cash for personal use.
- i. Performed some accounting services for T. Bateman. Sent him a bill which he will pay within 30 days.
- j. Paid the Benoit Co. some cash on account.
- k. Paid monthly payment to the mortgage company.
- l. Received cash for bookkeeping services provided.
- m. Paid the employees their wages.
- n. Sold some equipment for cash.
- o. Bought some new equipment on account from Benoit Co.
- p. The owner, C. Schultz, took some equipment home for personal use. It will not be returned to the business.
- q. Borrowed cash from the bank.
- r. Sold part of the land for cash.
- s. T. Bateman paid cash on his account.
- t. Made a bank loan payment.

Debit	Credit
a. _____	_____
b. _____	_____
c. _____	_____
d. _____	_____
e. _____	_____
f. _____	_____
g. _____	_____
h. _____	_____
i. _____	_____
j. _____	_____
k. _____	_____
l. _____	_____
m. _____	_____
n. _____	_____
o. _____	_____
p. _____	_____
q. _____	_____
r. _____	_____
s. _____	_____
t. _____	_____

2. Dave Cardinal operates Speedy Delivery Service. The ledger accounts and their balances as of May 1, 20xx are given. If no amount is given, the account has no balance.

Account	No.	Balance
Cash	101	10 120.00
Accounts Receivable, D. Wolfe	110	890.00
Tools	130	3 700.00
Office Equipment	140	14 640.00
Delivery Equipment	150	33 100.00
Accounts Payable, Bearspaw Tool Co.	201	7 500.00
Accounts Payable, Buffalo Supply Co.	202	3 700.00
D. Cardinal, Capital	301	51 250.00
D. Cardinal, Drawings	302	
Service Income	401	
Rent Expense	502	
Repairs Expense	504	

Use the general ledgers and the general journal given to do questions 2.a. to 2.e.

- ② a. Open the accounts for Speedy Delivery Service into the general ledger.
- ④ b. Journalize the opening entry on page 1 of the general journal provided.
- ④ c. Post the opening entry to the appropriate ledger accounts.
- ⑩ d. Journalize the transactions that have occurred in the first ten days of May in the general journal.
- May 2 Paid \$750 for May rent.
- 3 Paid \$1700 to Bearspaw Tool Co. on account.
- 3 Received \$180 from D. Wolfe in partial payment of the account.
- 6 Received \$5000 cash from the owner, D. Cardinal, as an additional investment.
- 6 Paid for brake repairs to the delivery equipment, \$500 in cash.
- 8 Bought a telephone answering machine for \$500 cash.
- 9 Purchased a new printer for \$590. Paid \$290 cash and owe the balance to Buffalo Supply Co.
- 10 Paid \$270 cash to purchase a cellular telephone for the delivery equipment.
- 10 Received \$1300 cash for repair fees.
- ⑤ e. Post the transactions from the general journal to the ledger accounts.

[illegible]

[illegible]

[illegible]

GENERAL JOURNAL							Page
	Date	Account Title	POST REF.	Debit			Credit
1							1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30
31							31
32							32
33							33
34							34
35							35
36							36
37							37

25

Section 5 Assignment: The Trial Balance

Read all parts of your assignment carefully and record your answers in the appropriate places.

2

1. Johan needs to complete a quick (informal) trial balance of his ledger. The following are the accounts and their balances.

Cash	14 820.00
Building	23 900.00
Land	18 700.00
Accounts Payable	11 490.00
Accounts Receivable	4 390.00
Bank Mortgage	21 400.00
Carl Quigley, Capital	37 620.00
Equipment	8 700.00

Divide the accounts into debit and credit sections and use a calculator to add up each column.

Total of Debits: \$ _____

Total of Credits: \$ _____

4. State whether the following errors would cause a trial balance to be out of balance and by how much. Explain your answer.

①

- a. The entry to record the purchase of office equipment was omitted from the Office Equipment account, \$700.

①

- b. A new computer was purchased for cash. Cash was credited but Office Supplies was debited instead of Office Equipment. The cost of the computer was \$2500.

①

- c. Cash of \$700 was received from a client for accounting services performed. Cash was debited for \$700 and Capital was credited for \$70.

①

- d. Cash of \$1500 was borrowed from the bank. Cash was credited for \$1500 and Bank Loan was debited \$1500.

①

- e. The accountant failed to record a withdrawal of \$40 cash made by the owner.

25

Section 6 Assignment: Petty Cash

Read all parts of your assignment carefully and record your answers in the appropriate places.

1. You are the bookkeeper for Ace Drilling Co. You have decided that a petty cash fund of \$100 should be established for disbursing petty amounts over a monthly period. To establish and replenish the petty cash fund in March, 20xx you did the following:

March 1. Cashed a cheque for \$100 to establish the fund.

31. Examined the petty cash box and arranged the vouchers into four piles as follows:

Account	Total Amount of Vouchers
Supplies	39.00
Freight Expense	27.00
Gas Expense	19.00
Miscellaneous Expense	7.00

There was \$7 left in the box.

3

- a. Show the journal entry to establish the fund on March 1, 20xx.

GENERAL JOURNAL												Page 1
	Date	Account Title	POST REF.	Debit				Credit				
1												1
2												2
3												3
4												4
5												5
6												6
7												7
8												8
9												9
10												10

7

- b. Show the journal entry to replenish the fund on March 31, 20xx.

2. Lindsay Colter is the petty cash clerk. She has \$200 in the fund and the following vouchers in the petty cash box.

Petty Cash Voucher	
No. <u>709</u>	Date <u>June 8</u> 20 <u>xx</u>
Paid to <u>Arco Co.</u>	\$ <u>17.65</u>
For <u>supplies</u>	
Charge to <u>Supplies</u>	
Payment Received	Approved by
<u>JLD</u>	<u>LDC</u>

Petty Cash Voucher	
No. <u>710</u>	Date <u>June 9</u> 20 <u>xx</u>
Paid to <u>TELEN</u>	\$ <u>20.95</u>
For <u>delivery charge</u>	
Charge to <u>Miscellaneous Expense</u>	
Payment Received	Approved by
<u>M.D.</u>	<u>LDC</u>

Petty Cash Voucher	
No. <u>711</u>	Date <u>June 9</u> 20 <u>xx</u>
Paid to <u>Cecile</u>	\$ <u>19.50</u>
For <u>postage</u>	
Charge to <u>Miscellaneous Expense</u>	
Payment Received	Approved by
<u>Cecile R.</u>	<u>LDC</u>

Petty Cash Voucher	
No. <u>712</u>	Date <u>June 10</u> 20 <u>xx</u>
Paid to <u>Safeway</u>	\$ <u>6.00</u>
For <u>birthday cards</u>	
Charge to <u>Miscellaneous Expense</u>	
Payment Received	Approved by
<u>Corrina R.</u>	<u>LDC</u>

③

- a. Show the journal entry to replenish the fund on June 15.

GENERAL JOURNAL												Page 1
	Date	Account Title	POST REF.	Debit				Credit				
1												1
2												2
3												3
4												4

②

- b. If the records are correct, what was the balance in the petty cash fund as of June 15, before Petty Cash was replenished?

3. For each of the items, select the word or phrase that best completes the statement.

- ② _____ a. The journal entry to establish the petty cash fund is
- A. debit Petty Cash and credit Cash
 - B. debit various expenditures and credit Cash
 - C. debit various expenditures and credit Petty Cash
 - D. No journal entry is required.
- ② _____ b. The journal entry made when using the petty cash fund is
- A. debit Petty Cash and credit Cash
 - B. debit various expenditures and credit Cash
 - C. debit various expenditures and credit Petty Cash
 - D. No journal entry is required.
- ② _____ c. The journal entry to replenish the Petty Cash Fund is
- A. debit Petty Cash and credit Cash
 - B. debit Cash and credit Petty Cash
 - C. debit Petty Cash and credit various expenditures
 - D. debit various expenditures and credit Cash
- ② _____ d. The Cash Short and Over account is
- A. an expense account
 - B. a revenue account
 - C. usually an asset account
 - D. either A or B
- ② _____ e. The account titled "Petty Cash" should be used in a journal entry to
- A. replenish the fund
 - B. establish the fund
 - C. record payments made from the fund
 - D. control the fund

